**What is Universal Credit?**

Universal Credit (UC) replaces a range of benefits and Tax Credits for people of working age. UC is a single, monthly payment that includes help with your rent and can be claimed by people under Pension Credit age who have a low to moderate income. It does not matter whether you are in work (or how many hours you work), unemployed, caring, or too ill to work. UC brings together six benefits and Tax Credits and replaces them with a single monthly payment. It is replacing the following:

* Jobseekers Allowance - income related (JSA IR)
* Employment and Support Allowance – income related (ESA IR)
* Income Support (IS)
* Child Tax Credit (CTC)
* Working Tax Credit (WTC)
* Housing Benefit (HB)

Generally speaking, if you intend to claim one of the benefits listed above for the first time after November 2016, you will claim UC instead. If you already receive one of the benefits UC is due to replace you continue to do so as normal until your circumstances change or you are told you need to claim UC instead. This “migration” will take several years to complete so it may be a while before you have to claim UC, however the following changes in your circumstances may result in an immediate claim for UC:

* JSA/ESA (IR) claimants who move from benefits into work will need to claim UC rather than Tax Credits,
* JSA (IR) claimants who become sick are no longer able to claim ESA (IR) and should claim UC instead,
* ESA (IR) claimants who become fit for work are no longer able to claim JSA (IR) and should claim UC instead,
* Employees who stop working can no longer claim JSA/ESA (IR) and will need to claim UC instead (different rules for JSA/ESA – contribution based,
* Lone parents who claim IS can no longer claim JSA/ESA (IR) when their child turns 5 and will need to claim UC instead,
* Claimants who become responsible for a child for the first time can no longer claim Tax Credits and will claim UC instead.

However, if you already receive one component of Tax Credits and you need to claim the other component, this will not require a new UC claim as this will be treated as a Tax Credits change of circumstances.

**My Housing Benefit currently gets paid to my landlord - will this change?**

In most cases, any financial help you get to pay your rent (Housing Benefit) will be included in your UC award and paid to you on a monthly basis. You’ll then pay your full rent to your landlord yourself. However, if you are two months or more in arrears with your rent, your landlord can request that an amount be taken out of your UC award and paid directly to them (**known as** **managed payments**). This may not, however, cover your full rent and there may be a shortfall for you to pay.

**What about my Council Tax?**

UC does not cover Council Tax Reduction (CTR) so you **must** claim CTR separately and hand your form into Inverclyde Council as soon as possible.

**How and when will Universal Credit be paid?**

UC will be paid in a single payment once a month into an account that you choose. You normally do not receive UC for the first 7 days of your claim (waiting days) and your first payment will be made around 5 weeks later and then calendar monthly after that. If you think you will find it difficult to manage while waiting for this first payment you can ask the DWP for an **UC Advance** payment. This will be paid back out of your future UC payments. If you are refused a **UC Advance** payment you may apply for a Crisis Grant from the Scottish Welfare Fund by telephoning (01475) 714444.

Some people, rather than having monthly payments, can get their UC paid fortnightly (this is known as an **Alternative Payment Arrangement)** - but you will have to ask for this and explain why you cannot manage monthly payments. You may also ask for a UC award to be split between 2 partners too.

You can also claim a **Budgeting Advance** to meet an additional “intermittent expense” (for example, household equipment, furniture, rent in advance, deposit etc.). You normally must have been in receipt of UC or a similar qualifying benefit for 6 months or more to qualify, and you can receive a minimum of £100 and up to £348 (single person), £464 (couples) or £812 (responsible for a child). The **Budgeting Advance** is recovered by reducing future UC payments until the amount is fully paid off.

**How much Universal Credit will I get?**

How much you receive depends on your, your partner’s and any dependent children’s personal circumstances, as well as your housing costs, how many children you have, whether any of your children are disabled and so on. It also takes into account certain income you already have coming in.

**Do I need to have a bank account?**

No. You will need an account for UC to be paid into, but UC can be paid into several different types of account, including a Post Office card account, certain Credit Union accounts and a Building Society account.

**How do I claim Universal Credit?**

UC must be claimed online via [www.gov.uk/apply-universal-credit](http://www.gov.uk/apply-universal-credit). There are no paper claim forms and changes of circumstances should be reported online too, although you may be also be able to report them by contacting the UC Helpline on 0345 600 0723. You will need an e-mail address to create an account prior to claiming UC online, as well as being able to provide your basic personal details (including your address, National Insurance Number, bank account details, rent agreement, savings, income etc.). You also have to verify your identity and you will be given a Personal Security Number to allow you to access your account. **You must always have your PSN number handy as without it you will not be able to access your account.** Once you have claimed UC you will normally attend an initial interview with a DWP work coach and be expected to agree to a “Claimant Commitment” which sets out your individual responsibilities when claiming UC.

**What are my responsibilities when claiming UC?**

Depending on your circumstances you may have to undertake work-related activities when receiving UC. This may include looking for work, preparing for work and work-focused interviews. Failure to comply with these activities may lead to severe benefit sanctions and loss of money. These activities form part of your “Claimant Commitment” so always ensure you advise your work coach of any health problems, caring responsibilities or other barriers you have so that you have a Commitment you can adhere to.

**Can I still claim contribution-based Employment Support Allowance or Jobseekers Allowance?**

JobCentre Plus advise that anyone wishing to claim contributory ESA/JSA should telephone 0345 600 4272 and make their claim by phone. However, if you have housing costs you must also apply for UC too. You may still be able to download and complete an ESA 1 form to claim ESA, however it may not be accepted by JobCentre Plus when submitted.

**Where can I go to for help with budgeting and claiming UC online?**

Future Skills Inverclyde can help you claim UC online and provide access to computers, tablets and the internet for you to use for free. They can also help you budget your money and prioritise your spending. Contact Future Skills on 01475 788887. Your local library or community centre may also allow you to access their computers and internet.

**Universal Credit and Work**

UC helps you if you are on a low wage by topping up your earnings. If your earnings change, your UC top up will change automatically to help ensure you are better off in work. The amount of UC you get will gradually reduce as you earn more, but unlike JSA your payment won’t stop just because you work more than 16 hours a week. If there are extra hours available from your employer it is worth taking these on as your UC is based on your income and not the number of hours you work.

You can earn a certain amount, which is based on your individual circumstances, before your UC payment is reduced. Once you earn above that amount your UC payments will be reduced at a steady rate. The more you earn, the higher your total income will be, which helps ensure that you will be better off in work than on benefits. Once you are earning enough money through work you will no longer receive UC. The DWP will notify you if this is the case and your claim will close. If you need to come back onto UC within 6 months of your previous claim ending DWP will make it easy for you to do so (rapid re-claim).

The amount of UC you receive changes automatically if your take home pay changes. If your employer is on the Pay As You Earn (PAYE) Real Time Information (RTI) system your UC will automatically adjust each month to take account of the earnings you have received. If they aren’t on the system, you must report your take home pay each month to the DWP to make sure you receive the correct amount of UC.

Any bonus payments you get from your employer are assessed along with your salary, and could reduce the amount of UC you receive in that month. Usually you’ll continue on UC automatically for the next payment. However if the bonus was so large it affected your entitlement for UC, then the DWP provides a simple method through which you can return to claiming UC. You are responsible for notifying DWP of all changes to your circumstances, including any periods of work, or changes to your working hours.

Under UC you can get help with childcare costs, even if you are working under 16 hours a week. You can claim back up to 85% of paid out registered childcare costs, up to a monthly limit of £646 for one child, or £1108 for two or more children.

You may also be entitled to a discretionary Flexible Support Fund (FSF) payment from JobCentre Plus to help remove barriers into work, such as travel costs, clothing, materials etc. There is no set amount and awards of FSF vary depending on individual circumstances. Speak to your Personal Adviser at the JobCentre.

**Anything else I need to know?**

Remember that if you are still struggling financially you may be entitled to claim a Crisis Grant or Community Care Grant via Inverclyde Council’s Scottish Welfare Fund by phoning 01475 714444 between 9am and 3pm Monday to Friday.

You may also be entitled to a food parcel from Inverclyde Foodbank. Speak to Financial Fitness, your Housing Association or any support organisation locally for a referral for a food parcel.